GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:2246
ANSWERED ON:28.07.2017
Funds Owing to States
Misra Shri Pinaki

Will the Minister of FINANCE be pleased to state:

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(a) whether the CAG"s report has stated that the Centre owes over Rs.5OOOO crores to the States;

(b) if so, the details of share of each State and the Union Territories; and

(c) the time by which the Government proposes to clear the dues that it owes to the States?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ARJUN RAM MEGHWAL)

Mention of "short devolution to States" to the tune of R.s. 81647.70 crore has been made in the Comptroller and Auditor General (C&AG) of India"s Report on "Compliance of Fiscal Responsibility and Budget Management Act, 2003 (Report No 27 of2016). Devolutin to States is carried out according to the recommendations of the Finance Commission [made in accordance with the clause 3(a) of the Article 280 of the Constitution of India]. From 2010-11 onwards, pursuant to the recommendations of the 13th Finance Commission, devolution has been based on the Revised Estimates of tax P.roces due in a year and adjustment on account of short/ excess devolution relating to the previous year on actual basis is carried out during the course of the year itself. During the award period of 14th Fin.ance Commission, 42% of net proceeds of Union Taxes and Duties are being devolved to States on a regular basis.